

Message Text

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ACTION ARA-10

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 4518

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EO 11652 NA

TAGS: ALLOW, VE

SUBJ: HOUSING: EMERGENCY REQUEST FOR INCREASE IN
QUARTERS ALLOWANCE

REF: EMBASSY'S OM OF DEC 12, 1975

1. THE SEVERE DIFFICULTIES IN SECURING SUITABLE HOUSING BEING EXPERIENCED BY US MISSION PERSONNEL DESCRIBED IN REF OM HAVE GREATLY INTENSIFIED IN PAST 8 MONTHS, AND DESPITE SOME INCREASED ALLOWANCES, NEW PERSONNEL, AND THOSE RENEWING THEIR LEASES, ARE FINDING IT IMPOSSIBLE TO OBTAIN ADEQUATE HOUSING WITHIN CURRENT HOUSING ALLOWANCES. MANY THREE-BEDROOM HOUSES THAT ONE YEAR AGO RENTED FOR \$800 PER MONTH ARE NOW IN THE RANGE OF \$1,200 TO \$1,600-- A STARTLING INCREASE OF 50-100PERCENT . APARTMENTS ARE SIMILARLY AFFECTED AND ARE CURRENTLY RENTING FOR 50 PERCENT OVER A YEAR AGO. NEVERTHELESS, COMPETITION FOR AVAILABLE HOUSING REMAINS SHARP, WITH DEMAND FAR EXCEEDING SUPPLY. AS OF AUG 20, 10 MISSION PERSONNEL WERE ON TLA; THE ARRIVAL OF SIXTEEN ADDITIONAL PERSONS ON ASSIGNMENT TO POST IS EXPECTED DURING THE NEXT SIX WEEKS. WITHIN THE PAST TWO MONTHS, FOUR EMPLOYEES HAVE BEEN FORCED TO SEEK OTHER QUARTERS UPON TERMINATION OF THEIR LEASES AS A RESULT OF SHARPLY ESCALATING RENTALS.

2. THIS EXPLOSIVE SITUATION HAS NEWLY ARRIVED PERSONNEL AND PERSONNEL WHOSE LEASES ARE COMING DUE FOR RENEWAL, PARTICULARLY JUNIOR OFFICERS AND STAFF PERSONNEL, IN A STATE OF TURMOIL. THERE HAS BEEN A SERIOUS IMPACT ON
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MOREALE AND THE OPERATING EFFICIENCY OF THE MISSION. WE

HAVE BEEN GRATEFUL FOR THE PROMPT SUPPORT OF THE ALLOWANCES DIVISION IN THE PAST, BUT CONCLUDE THAT THE SITUATION CAUSED BY THE ACCELERATING INCREASES OF RENTS IN CARACAS CANNOT BE MET WITH NORMAL PROCEDURES. PERSONNEL ARE NOW FACED WITH THE NEED TO OBLIGATE THEMSELVES TO STAGGERING OUT-OF-POCKET PAYMENTS.

3. IN ORDER TO BE ABLE TO BRING SOME RELIEF TO THE LARGE NUMBERS OF NEWLY-ARRIVED PERSONNEL AND TO THOSE WHOSE LEASES ARE COMING DUE, WE RECOMMEND THAT SOME EXTRAORDINARY MEASURES BE APPROVED BY THE DEPT ON AN EMERGENCY BASIS:

A) BASED ON THE PREVAILING CONDITIONS OF THE CARACAS HOUSING MARKET, AND THE RAPIDLY ACCELERATING COST LEVELS, THAT SERIOUS CONSIDERATION BE GIVEN TO AN IMMEDIATE INCREASE TO ALL LIVING QUARTERS GROUPS AS RECOMMENDED BELOW:

GROUP 2 WF \$9,000 TO \$13,500

GROUP 2 WOF 6,600 TO 9,240

GROUP 3 WF 8,300 TO 12,450

GROUP 3 WOF 5,300 TO 7,420

GROUP 4 WF 6,400 TO 9,600

GROUP 4 WOF 4,700 TO 6,580

GROUP 5 WF 4,700 TO 6,580

GROUP 5 WOF 4,000 TO 6,000

WE MAKE THIS RECOMMENDATION WITH THE KNOWLEDGE THAT NO PLATEAU IS IN SIGHT ON CARACAS RENTALS AND WE MAY BE FORCED TO PLEAD AGAIN SOON. NEVERTHELESS, WE ARE HOPEFUL THAT SUCH AN INCREASE WOULD BE SUFFICIENT TO FACE THE CURRENT SITUATION.

B) WE REALIZE, OF COURSE, THE DIFFICULTIES INHERENT IN APPROVING THE INCREASES REQUESTED IN SUB-PARAGRAPH (A) ABOVE WITHOUT SUPPORTING DOCUMENTATION BY FORMS 1190, ALTHOUGH WE REITERATE THAT AN EXTRAORDINARY SITUATION REQUIRES EXTRAORDINARY MEASURES. WE SUGGEST, THEREFORE, AS A POTENTIAL ALTERNATIVE THAT PROVISION BE MADE TO ALLOW AN INCREASED LQA ALONG THE UNCLASSIFIED

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LINES SUGGESTED ABOVE ON A RETROACTIVE BASIS ON ALL NEWLY SIGNED LEASES.

(C) BASED ON THE EXCEPTIONAL IMPACT OF THE HOUSING MARKET PROBLEM ON PERSONNEL IN QUARTERS GROUPS 4 AND 5 (SECRETARIES, STAFF PERSONNEL AND JUNIOR OFFICERS), WE RECOMMEND THAT THE POST BE AUTHORIZED A LIMITED GOVT LEASING POLICY. THIS WOULD ENABLE US TO IN THE NEAR

TERM TO ASSIST TWO SECRETARIES CURRENTLY ON TLA AND ONE SECRETARY WHOIS BEING FORCED TO SEEK NEW QUARTERS AS A RESULT OF THE EXPIRATION OF HER LEASE IN OCTOBER. IT WOULD ALSO PERMIT US TO RESPOND TO OTHER PERSONNEL IN EXCEPTIONAL SITUATIONS OF HARDSHIP WHERE THIS IS DETERMINED TO BE THE CASE BY THE RENTAL CONTROL BOARD AND WITH MY APPROVAL.

4. THERE IS AN ADDITIONAL POINT THAT HAS CONCERNED ME FOR SOME TIME, I E, THE INEQUITIES OF AN ASYMMETRICAL QUARTERS ALLOWANCE SYSTEM AS AMONG THE VARIOUS AGENCIES REPRESENTED AT THE MISSION. IF THE SUBSTANTIAL INCREASE IN LQA I AM REQUESTING IS GRANTED, I WOULD PROPOSE TO MAKE THIS THE UNIVERSAL CEILING FOR ALL PERSONNEL OF ALL AGENCIES AT THE POST.

5. I CANNOT EMPHASIZE ENOUGH THE UNACCEPTABLE, EVEN DESPERATE, STRAITS IN WHICH WE FIND OURSELVES WITH REGARD TO NEWLY - ARRIVED PERSONNEL AS A RESULT OF THE PRESENT CONDITION OF THE CARACAS HOUSING MARKET. FURTHER, WE SEE NO SHORT-TERM END TO CURRENTLY ACCELERATING RESNTS. I AM CONVINCED THAT ORDINARY MEASURES WILL NOT AVAIL AND THEREFORE REQUEST THE ALLOWANCE DIVISION AND ARA/MGT TO GIVE SERIOUS AND CAREFUL CONSIDERATION TO OUR RECOMMENDATIONS.

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